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27 August 1962

AGENCY NEWSLETTER

TO ALL SUPERVISORS:

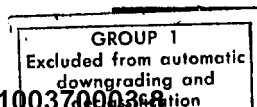
This is the first of what will be bimonthly newsletters from the Office of the Director to keep all Agency supervisors, both at headquarters and in the field, advised of developments inside the Agency, or of external matters affecting the Agency. These will be issued more often if events warrant.

It is appropriate to commence the first of these letters with a commentary on the recent headquarters reorganization, which is now substantially complete, since knowledge of the reorganization will assist everybody in functioning more efficiently.

As you know, the President on the 16th of January in a letter to Mr. McCone asked that he concentrate his efforts on the coordination of the entire United States intelligence effort and on providing appropriate guidance to the intelligence community. (Copy enclosed) Mr. McCone in anticipation of this mandate had already indicated to the United States Intelligence Board that the Deputy Director of Central Intelligence would be the chief executive officer of the Agency as well as the Agency's member on the USIB. The Director has delegated to the Deputy Director his statutory authorities as approved by the Comptroller General.

The consequence of this presidential instruction and the manner in which it is being implemented is that the DCI is devoting the great bulk of his time to the national intelligence effort in such vital roles as being the principal advisor to the President on intelligence matters, coordinating the activities of the entire U.S. intelligence community, working with General Maxwell Taylor's Special Group in such fields as counterinsurgency and covert action, chairing the United States Intelligence Board, and participating in a great number of top-level meetings on matters of vital national security.

The DDCI is of course required to backstop the DCI in all of the above matters as well as chairing the Watch Committee, being the



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CIA member of USIB and running the Agency. To support the DDCI as the general manager of the Agency, the position of Executive Director has been created with the responsibility for being the Chief of Staff of the Agency and insuring that the operating components are kept fully informed of and take appropriate action on all decisions made by the DCI or DDCI, of coordinating all of the activities of the Agency, and of directing the work of the Director's Office.

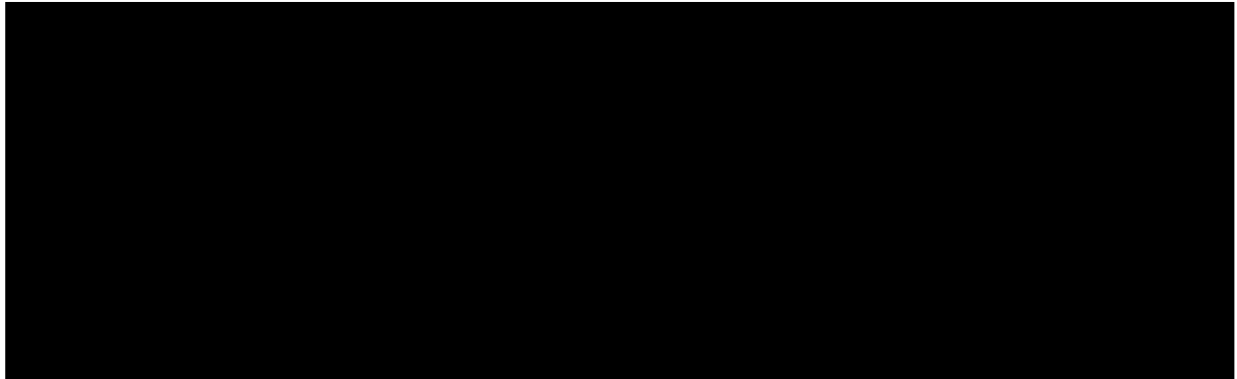
The staff of the Director's Office has been reorganized more along the lines of the Secretariat of the State Department, with specifically assigned responsibilities to the various staff assistants. An Agency-wide instruction has been issued on this to facilitate the work with the Director's Office.

Certain major components of the Agency were realigned in the reorganization. In order to provide greater fiscal and monetary control, and to give true meaning to the name of the organization, the Comptroller's Office was established directly under the Office of the Director, and the Comptroller was named Chairman of the Agency's Financial Policy and Budget Committee which is the new control mechanism over all the projects, programs and budgets. The General Counsel's Office was also established as an independent unit reporting directly to the Director and resumed the control and guidance of the Legislative Counsel and the Agency's Congressional relations. Further, the Inspector General Staff, which had been a part of the immediate Office of the Director, was made an independent unit reporting directly to the Director and absorbed the Audit Staff. This will insure in the future a much closer relationship between inspection and audits and will provide a more effective review mechanism for the organization.

One of the major developments of the reorganization was the creation of a new Deputy Directorate, the Deputy Director (Research), which will assume responsibility for the development and operation of certain advanced scientific and technical projects. This new Deputy Directorate has been established with three offices. The first is the Office of Special Activities which will control highly sophisticated and sensitive operations in the scientific and technical fields. The second is the Office of Elint which draws together under it all of the Agency's many activities in the Elint field, except for those purely collection activities in the clandestine operations field. The third is the Office of Research and Development which has a broad charter for research and development of advanced projects.

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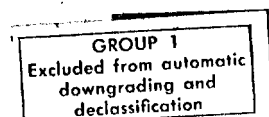
As management vehicles, we have created an Executive Committee composed of the top officers of the Agency to be the policy and planning body of the organization and the final review body on all major activities requiring the approval of the Director or the DDCI. We are also now holding Senior Staff meetings biweekly to which the heads of all major components are invited, and which are designed to keep Agency personnel thoroughly aware of all internal and external activities.

In sum, we feel that we are now better organized to cope with the ever increasing demands upon our specialized skills to meet the threats to the security of the United States. But it should be stressed that this is an organization of people and not of charts or diagrams, and that our ultimate success will depend upon the quality and dedication of each and every individual in the Agency. I hope that all of you will insure that any of your people who should be aware of the developments outlined above are given an opportunity to read this letter.



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Marshall S. Carter
Lieutenant General, USA
Deputy Director



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THE WHITE HOUSE
Washington

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January 16, 1962

MEMORANDUM FOR: Director of Central Intelligence

In carrying out your newly assigned duties as Director of Central Intelligence it is my wish that you serve as the Government's principal foreign intelligence officer, and as such that you undertake, as an integral part of your responsibility, the coordination and effective guidance of the total United States foreign intelligence effort. As the Government's principal intelligence officer, you will assure the proper coordination, correlation, and evaluation of intelligence from all sources and its prompt dissemination to me and to other recipients as appropriate. In fulfillment of these tasks I shall expect you to work closely with the heads of all departments and agencies having responsibilities in the foreign intelligence field.

In coordinating and guiding the total intelligence effort, you will serve as Chairman of the United States Intelligence Board, with a view to assuring the efficient and effective operation of the Board and its associated bodies. In this connection I note with approval that you have designated your deputy to serve as a member of the Board, thereby bringing to the Board's deliberations the relevant facts and judgments of the Central Intelligence Agency.

As directed by the President and the National Security Council, you will establish with the advice and assistance of the United States Intelligence Board the necessary policies and procedures to assure adequate coordination of foreign intelligence activities at all levels.

With the heads of the Departments and Agencies concerned you will maintain a continuing review of the programs and activities of all U.S. agencies engaged in foreign intelligence activities with a view to assuring efficiency and effectiveness and to avoiding undesirable duplication.

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As head of the Central Intelligence Agency, while you will continue to have over-all responsibility for the Agency, I shall expect you to delegate to your principal deputy, as you may deem necessary, so much of the direction of the detailed operation of the Agency as may be required to permit you to carry out your primary task as Director of Central Intelligence.

It is my wish that you keep me advised from time to time as to your progress in the implementation of this directive and as to any recommendations you may have which would facilitate the accomplishment of these objectives.

/s/

JOHN F. KENNEDY

cc: Secretary of State
Secretary of Defense
Attorney General
Chairman, Atomic Energy Commission

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